

# ANALYZE THE EFFECTS OF SERVICE QUALITY, PRICE, AND PRODUCT QUALITY TREND TRACER ON CONSUMER PURCHASE SATISFACTION

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## ABSTRACT

*This study examines the satisfaction of consumer purchases the product in an attempt onlineshop Trend Tracer clothes in Indonesia. The purpose of this study was to determine and analyze the influence of service quality, price, and quality of products to the satisfaction of consumers on product purchase Trend Tracer partially. In this study, using a multiple linear regression statistical techniques. The method used in this research is quantitative method by means of a survey. Data collection techniques used is by distributing questionnaires. The survey results revealed that significant influence service quality to satisfaction of consumer purchases, their significant influence prices on the satisfaction of consumer purchase, and significant influence product quality to customer satisfaction on product purchase Trend Tracer.*

**Keywords:** Service Quality, Price, Product Quality, Satisfaction

## INTRODUCTION

One of many reason economies grow in Indonesia are Fashion Industry. Fashion are the best bet for trending business, especially in clothes, shoes, and accessories. Right now Fashion business are changing every month and keep up with people life style. It doesn't effect in people stratum of life Fashion including man, woman, child, and baby.

The number one ascend industry in creativity sector is Fashion industry. Contribute 641,8T Rupiah to our PDB, above Transportation, Financial, Real Estate, and Services sector. Fashion industry Indonesia promise every aspect and growing rapidly. New brand of local appear everywhere with pretentious and creativity. Focusing on new innovation to attract more people within certain age categories. People in Indonesia appreciate for local brand cause of the similarities to foreign product. The new comers of local brand called Trend Tracer and started on April 17, 2015. Trend Tracer had their own unique trend, one of it they called "Self Printed". It categories in many variety, from 15 years old up to 50 years old. Qualification for good Fashion industry business are "Price, Service, quality of the product, and Analysis market".

One of the sectors driving economic growth is the Fashion industry. Fashion is a common term for popular styles, especially in clothing, shoes and accessories. Fashion penetrates on everything that follows the current trend and how to dress someone. Fashion is always there in all walks of life, all ranges of age and sex, ranging from children, teens, adults, both men and

women. The Indonesian Fashion Industry has now become one of the prima donna subsectors of the creative industries and even the creative economy sector contributes 641.8 trillion rupiah to our GDP, slightly above the transport and communications sector, as well as the financial, real estate and corporate services sectors (Kemenperin, 2015).

The fashion industry in Indonesia is quite advanced and promising. The emergence of local ambitious fashion designers, bold and have a pattern of creativity that prioritizes innovation and has high power and high selling power, is in great demand today. So, local fashion brand lately growing rapidly and increasingly have a name in the eyes of consumers. In the country itself began to appreciate and appreciate local brands because of the best quality and design that is not less interesting also innovative.

Trend Tracer is a fashion brand that stood since April 17, 2015. Brand fashion is intended especially for women aged from 15 years to 50 years. The products offered by Trend Tracer brand is a shirt with a design pattern and design your own model. The uniqueness of this product is Self-Printed. Unlike other fashion brands, this brand wants to provide something different and not easily be equated by other fashion brands or designers.

The problems that exist in this business is how to know the consumers who have bought Trend Tracer clothes are satisfied with the goods that have been purchased in accordance with the qualification of the sale, therefore the authors conducted a study "Analysis of Service Quality Influence, Price, and Product Quality Trend Tracer Against Consumer Purchasing Satisfaction".

## **LITERATURE RIVIEW**

### **Previous research**

The study was conducted by Johanes Gerardo Runtuuwu, (2014) under the title "The Influence of Product Quality, Price, And Quality Of Service To The Satisfaction Of Users Of Cafe And Resto Cabana Manado". The purpose of this study is to determine the effect of product quality, price, and quality of service to user satisfaction Cafe and Resto Cabana Manado. The type of research used is associative research and analysis techniques using multiple linear regression. The results showed that product quality, price, and service quality positively affect the user satisfaction of Cafe and Resto Cabana Manado. Product quality is influential but not significant to user satisfaction. Price and quality of service have a significant effect on user satisfaction.

### **Service Quality**

According to Tjiptono and Chandra (2011:162) the quality of service or service quality contributes significantly to the creation of differentiation, positioning, and competitive strategy of every marketing organization, both manufacturing and service providers. Quality of service is something perceived by the customer. Customers will assess the quality of a perceived service based on what they describe in their minds. Factors affecting service quality based on SERVQUAL method according to Tjiptono and Chandra (2011:198) as follows:

1. Reliability
2. Responsiveness
3. Assurance
4. Empathy
5. Tangibles

### **Price**

The term price according to Kotler (2012:290) is the amount of money paid for a product or service, whereby the amount of money or value incurred by the consumer is in lieu of the benefit of the ownership or use of a product or service. Another point expressed by Daryanto (2013: 62) that defines the price as the amount of money that is billed for a product or a number

of values that consumers exchange for the benefits they have in using the product. Here are the indicators that characterize the price proposed by Stanton on Sagita (2013) :

1. Affordability of price
2. Price compliance to product quality
3. Price Competitive
4. Price compliance with benefits

### **Product Quality**

Kotler and Armstrong (2012:283) defines product quality as the ability of a product to perform its functions, including durability, reliability, accuracy, ease of operation and improvement, and other valuable attributes. Another opinion put forward by Kotler and Keller (2012: 143) that product quality is a characteristic and total feature of a product or service related to its ability to be able to meet the stated or implied needs.

According to Mullins, Walkers, and Boyd in Tanuwijaya and Ashori (2013), there are 8 dimensions of product quality that are also indicators in this study include:

1. Feature
2. Realibility
3. Conformance
4. Durability
5. Serviceability
6. Aesthetics
7. Perceived Quality

### **Satisfaction**

Kotler in Sunyoto's book (2013:35), consumer satisfaction is the level of one's feelings after comparing (perceived performance or outcome) compared to expectations. Consumers can experience one of the three levels of general satisfaction that if the performance is below expectations, consumers will feel disappointed but if the performance in accordance with customer expectations will feel satisfied and what if the performance can exceed expectations then the customer will feel very happy or happy.

Customer satisfaction is the judgment that the form / model of a product or service, or product / service itself provides a level of fulfillment with respect to pleasant consumption (Tjiptono and Chandra, 2013: 196). Customer satisfaction indicators include:

1. Feeling of statisfaciton
2. Always buy a product
3. Help Reccomend
4. Fullfilment of customer expectations

### **RESEARCH METHODS**

This research uses quantitative approach. Sugiyono (2012:55) argued that the quantitative approach is an approach to test the causality relationship between independent variables with dependent variable. Quantitative approach used in this research because data will be processed by using statistic. The research method used in this research is survey method.

Based on calculations with the Slovin formula, then from 105 consumers / customers obtained about 83 consumers sampled in this study. Primary data collection techniques can be done by observation (observation), interview (interview), questionnaire (questionnaire), and the combination of all three. The data retrieval method used in this research was conducted by distributing questionnaires.

Data analysis techniques in this study using multiple linear regression analysis techniques. Linear regression analysis is a bivariate analysis performed to measure the strength of the relationship between 2 or more independent variables to the dependent variable.

## **RESULTS AND DISCUSSION**

The purpose of this study is to determine the effect of service quality, price and product quality on customer purchasing satisfaction in buying Trend Tracer clothes. Therefore the researcher proposed 3 pieces of hypothesis, namely:

H1: There is a significant effect of service quality on customer purchasing satisfaction.

H2: There is a significant price effect on customer purchasing satisfaction.

H3: There is a significant effect of product quality on customer purchasing satisfaction.

The results of this research hypothesis testing will be explained as follows:

1. Effect of service quality on consumer satisfaction Trend Tracer The significance value of t statistic from the influence of Quality of Service variable (X1) to Consumer Satisfaction (Y) is  $0.000 < 0,05$ . This shows that the quality of services provided Trend Tracer significantly partially influence on customer satisfaction. Therefore, the first hypothesis of this study is accepted, because the results of this study proved that there is a significant influence on service quality to customer purchasing satisfaction. The value of regression coefficient of service quality variable (X1) marked positive on the value of regression coefficient represents a direct relationship between service quality variable (X1) and consumer satisfaction (Y). This regression model shows that if the service provided Trend Tracer to the consumer increases one unit, then the customer satisfaction Trend Tracer will also experience an increase of 0.652. Therefore, the results of this study support the findings of research Gulla et al (2015) and Margareth (2014), which also proves that service quality has a positive and partially significant effect on customer satisfaction. Where, customer satisfaction is the level of one's feelings after comparing (perceived performance or outcome) compared to expectations (Sunyoto, 2013:35).

2. Price effects on customer satisfaction Trend Tracer The significance value of t statistic from the influence of Price variable (X2) to Consumer Satisfaction (Y) is  $0.013 < 0.05$ , which means that the price of the product offered Trend Tracer to the consumer has a significant partial effect on customer satisfaction. Therefore, the second hypothesis of this study is accepted, because the results of this study proved that there is a significant effect of price on customer purchasing satisfaction. The value of regression coefficient of Price variable (X2) with negative sign on regression coefficient value represents unrelated relationship between Price variable (X2) and Consumer Satisfaction (Y). This regression model shows that if the price of the product offered by Trend Tracer to the consumer increases one unit, Trend Tracer's customer satisfaction will decrease by 0.191. The results of this study support the findings of research Mahmud et al (2013) which shows a partially significant negative relationship of the variable price to customer satisfaction.

3. Effect of product quality on customer satisfaction Trend Tracer The significance value of t statistic from the effect of Product Quality (X3) variable on Consumer Satisfaction (Y) is  $0.000 < 0,05$ . This shows that the quality of Trend Tracer product has a significant effect partially on customer satisfaction. Therefore, the third hypothesis of this study is accepted, because the results of this study proved that there is a significant effect of product quality on customer purchasing satisfaction. The value of regression coefficient of product quality variable (X3) with positive sign on the regression coefficient value represents a direct relationship between product quality variable (X3) and consumer satisfaction (Y). This regression model shows that if the quality of Trend Tracer's product increases one unit, Trend Tracer's customer satisfaction will also increase by 0.252. Therefore, the results of this study support the findings of research by Margareth (2014), Purnamasari (2015) and Jahanshahi (2014), which also proves that product quality has a positive and partially significant effect on customer satisfaction.

Overall, the significance value of F statistics is  $0.000 < 0.05$ . The results of this study indicate that the quality of service, price and product quality, together have a significant influence on customer satisfaction Trend Tracer. The value of unstandardized coefficients of the regression model also shows that when Trend Tracer improves service quality, decreases product prices, and improves product quality, it will also increase customer satisfaction on services, prices and products offered Trend Tracer.

## CONCLUSION

Result in this research can be concluded that, there is influence from service quality variable significantly to satisfaction of consumer purchase Trend Tracer. The effect that occurs is positive so that it can be stated that the quality of service positively significant has a contribution in affecting the consumer purchase satisfaction Trend Tracer. Furthermore, there is influence of price variables significantly to customer purchase satisfaction Trend Tracer. The effect that occurs is negative so it can be stated that the price is negatively significant has a relationship that is not in line with the consumer purchase satisfaction Trend Tracer. And there is influence of variable of product quality significantly to satisfaction of consumer purchase Trend Tracer. The effect that occurs is positive so that it can be stated that the quality of the product positively significant has a contribution in influencing the satisfaction of consumer purchase Trend Tracer.

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